

Recording Requested By:

Fidelity National Title  
Insurance Company

When Recorded Mail To:

William S. Hunter, Esq.  
Hunter Richey Di Benedetto  
& Brewer, LLP  
Renaissance Tower  
801 "K" Street, 23rd Floor  
Sacramento, CA 95814

CERTIFIED TO BE A TRUE COPY OF DOCUMENT  
RECORDED 11-18-97 INSTRUMENT NO.  
BOOK 971118 PAGE 809  
Sacramento COUNTY RECORDS.  
FIDELITY NATIONAL TITLE INSURANCE CO.

BY

*Theresa Roberts*

ORIGINAL  
Accepted for Recording  
COPY - NOT CERTIFIED

NOV 18 1997

(Space above this line reserved for County Recorder's use.)

Assessor Parcel Number:  
072-0370-065

Sacramento County  
Clerk-Recorder

#### WATER EXTRACTION AND PIPELINE EASEMENT AGREEMENT

This Water Extraction and Pipeline Easement Agreement (this "Agreement") is dated for reference purposes as of November 10, 1997 and is executed by AEROJET-GENERAL CORPORATION, an Ohio corporation ("AEROJET"), and accepted by the CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL ("DEPARTMENT").

1. Grant of Easement. Subject to, and in accordance with, the terms and conditions set forth in this Agreement, AEROJET hereby grants to DEPARTMENT, and DEPARTMENT hereby accepts, an easement (the "Easement") for conduct of Authorized Activities (as defined below).

2. Easement Area. The Easement is granted with respect to, and encumbers only, the area described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Easement Area").

3. Mutual Use. The Easement is non-exclusive. AEROJET retains the right and power to use and improve the Easement Area as AEROJET may choose from time to time so long as such use or improvement shall not unreasonably interfere with DEPARTMENT's rights of use thereof as authorized by this Agreement, being specifically the Authorized Activities (as defined below), and shall not violate or fail to comply with any of the terms and conditions set forth in this Agreement.

4. Use of Easement Area. Use of the Easement Area by DEPARTMENT or its contractors, agents, or employees, or by a Third Party (as defined below), shall be conducted pursuant to

DEPARTMENT's exercise of its responsibilities and jurisdiction under the California Health and Safety Code, or pursuant to a Third Party's obligations under orders issued by, or agreements with, DEPARTMENT. The following specific activities, as well as necessarily related and incidental activities, and no other activities, are allowed by DEPARTMENT or its contractors, agents, or employees, or by any such Third Party, within the Easement Area (collectively, "Authorized Activities"):

a. Water Extraction and Transport. DEPARTMENT and Third Parties shall have the right to engage in the installation, construction, maintenance, and operation of water extraction wells and a pipeline for the transport of untreated water extracted from the Easement Area to locations outside the Easement Area for treatment thereof.

b. Access and Maintain Monitor Wells. DEPARTMENT and Third Parties shall have the right and power to access, maintain, remove, replace, modify, examine, use, and generally control all of the monitor wells located, from time to time, within the Easement Area, including, but not limited to, temporary parking of trucks and other vehicles as may be necessary and proper to conduct ground-water monitoring activities.

c. Establishment of Additional Monitor Wells. DEPARTMENT shall have the right and power to designate, and Third Parties, as well as DEPARTMENT, shall have the right and power to install, or cause to be designated or installed, any number of monitor wells anywhere within the Easement Area as DEPARTMENT may determine in its sole discretion.

d. Underground Wells and Pipelines. All wells, pumping stations and equipment, and pipelines, as well as electric power thereto, shall be underground to the maximum extent possible.

e. New Technology. If a new technology is developed that allows treatment of ground water to be done in a manner that is less costly or more effective than extraction for treatment, and if use of such a new technology can be implemented without increased burden upon, or unreasonable interference with other uses, improvements, or value of, the Easement Area, then such new technology shall be included within the Authorized Activities.

5. Third-Party Uses. AEROJET understands and agrees that all or some of the Authorized Activities shall be performed by third parties, including, but not limited to, McDonnell Douglas Corporation, and their contractors, agents, or employees (collectively, "Third Parties"). With respect to the performance of Authorized Activities by Third Parties, the following restrictions shall apply:

a. Permission. No Third Party may enter upon the Easement Area or engage in Authorized Activities except with the

advance written and explicit permission of DEPARTMENT or AEROJET ("Permission").

b. Notice to AEROJET. DEPARTMENT agrees not to grant any Permission until after giving AEROJET a reasonable opportunity to be itself the entity granting the Permission. Thus, DEPARTMENT agrees that, except in the case of an emergency threatening the health or safety of people or the environment, DEPARTMENT shall not grant any Permission until thirty (30) days after giving to AEROJET written notice of the name, address, telephone number, contact person, and other relevant information so that AEROJET may identify and commence negotiations with such Third Party for the granting of Permission thereto.

c. Third Parties' Acknowledgments. Whenever DEPARTMENT grants a Permission, it shall have the Third Party involved execute and deliver to DEPARTMENT, with a copy to AEROJET, a written acknowledgment by the Third Party that it has read, understands, and will abide by the provisions of this Agreement.

d. Third-Party Requirements. As a necessary and integral part of the granting of Permission, whether by DEPARTMENT or AEROJET, the Third Party shall provide to DEPARTMENT and AEROJET:

i. Indemnity. The Third Party's written agreement to indemnify and hold harmless DEPARTMENT and AEROJET with respect to any and all liabilities that may arise from, or be related to, the entry by, and activities of, the Third Party while using the Easement Area;

ii. Insurance. Adequate proof that a satisfactory commercial general liability insurance policy has been issued by a reputable insurer lawfully doing business in California, in an amount that is not less than Two Million Dollars (\$2,000,000.00), combined single limit, with DEPARTMENT and AEROJET named as additional insureds, and covering all activities of the Third Party with respect to the Easement Area; and

iii. Other. The Third Party's fulfilment of such other reasonable and customary requirements of landowners from whom access to do work in the nature of the Authorized Activities is requested, including, but not limited to, more detailed and complete requirements respecting the form and content of said indemnity agreement and said liability insurance than are set forth hereinabove.

6. Duration and Termination. The Easement shall continue in perpetuity, except that DEPARTMENT agrees to execute, deliver, and record in the Official Records of Sacramento County a quitclaim deed or other appropriate instrument, as and when

requested by AEROJET, to effect a termination of the Easement whenever AEROJET has submitted to DEPARTMENT satisfactory evidence of the following circumstances:

a. Completion of RAP Requirements. All of the requirements of a remedial action plan with regard to underlying ground water have been completed. The DEPARTMENT agrees that the remedial action plan may define the circumstances under which the Easement may be terminated as no longer being required, such as applicability of technical impracticability or containment zone qualification; and

b. Completion of Requirements under DTSC Order. DEPARTMENT has certified that all of the requirements of any DEPARTMENT order respecting the underlying ground water have been fully completed.

7. Miscellaneous Provisions.

a. Covenants Running with the Land. All of the terms and conditions set forth in this Agreement are intended to be covenants running with the land that shall be binding upon, and inure to the benefit of, the successors and assigns of AEROJET and DEPARTMENT.

b. Further Assurances. AEROJET and DEPARTMENT agree to execute, acknowledge as appropriate, and deliver such further instruments and documents as may, from time to time, be necessary or appropriate, in the judgment of either of them, to effectuate the purposes of this Agreement or any provision hereof, and to accomplish the goals sought to be achieved by the granting of the Easement.

c. Reasonableness. AEROJET and DEPARTMENT agree to be fair and reasonable with each other in the performance of all obligations and exercise of rights and powers under, or related to, this Agreement, keeping in mind and reasonably attempting to promote their respective purposes in entering into this Agreement.

d. Severability of Provisions. If any provision of this Agreement is unenforceable, it shall be deemed not a part of this Agreement, and the other provisions shall remain fully enforceable and shall be interpreted to accomplish, as closely as may be legally possible, the intentions of AEROJET and DEPARTMENT as expressed by the entirety of this Agreement.

e. Successors and Assigns. This Agreement and each and every provision contained in this Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of AEROJET and DEPARTMENT.

IN WITNESS WHEREOF, AEROJET has executed this Agreement as of the date set forth below.

Date: November 10, 1997.

AEROJET-GENERAL CORPORATION,  
an Ohio corporation

By: *Terrance P. Griffin*

Terrance P. Griffin

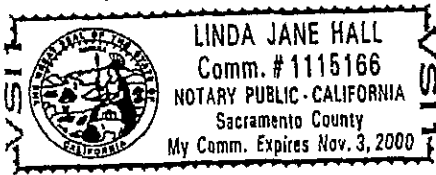
Its: Director of Real Estate

State of California )

County of Sacramento )

ss.

On November 17, 1997, before me, Linda Jane Hall, personally appeared Terrence P. Griffin, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



(seal)

WITNESS my hand and official seal.

*Linda Jane Hall*  
Linda Jane Hall, Notary Public

**Exhibit "A"**  
**Legal Description of Easement Area**

All that portion of Parcel 15 as said Parcel is shown on that certain Revised Parcel Map of "A Portion of Record of Surveys 12 R.S. 30 and 18 R.S. 4 and also being a Portion of Rancho Rio De Los Americanos" filed in the office of the Recorder, County of Sacramento, State of California in Book 55 of Parcel Maps, Page 29, and being a strip of land 60.00 feet in width the westerly line of said Strip being more particularly described as follows:

Beginning at the northwest corner of said Parcel 15; thence from said Point of beginning along the westerly line of said Parcel the following five (5) courses: (1) South  $07^{\circ}44'05''$  East 30.44 feet, (2) South  $06^{\circ}36'05''$  East 3603.85 feet, (3) South  $08^{\circ}08'17''$  East 2073.42 feet, (4) South  $08^{\circ}47'03''$  East 2197.91 feet, and (5) South  $08^{\circ}48'24''$  East 222.26 feet to a point on the easterly right-of-way line of Sunrise Boulevard, a County Road, as shown on said Parcel Map; thence along said Right-of-way line South  $39^{\circ}18'38''$  East 4347.78 feet to a point on the south line of said Parcel 15, and being the point of ending.

Recording Requested By:

Fidelity National Title  
Insurance Company

When Recorded Mail To:

William S. Hunter, Esq.  
Hunter Richey Di Benedetto  
& Brewer, LLP  
Renaissance Tower  
801 "K" Street, 23rd Floor  
Sacramento, CA 95814

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Assessor Parcel Number:  
072-0370-065

Sacramento County  
Clerk-Recorder

MONITOR WELLS  
EASEMENT AGREEMENT

This Monitor Wells Easement Agreement (this "Agreement") is dated for reference purposes as of November 10, 1997 and is executed by AEROJET-GENERAL CORPORATION, an Ohio corporation ("AEROJET"), and accepted by the CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL ("DEPARTMENT").

RECITALS

A. The Real Property. AEROJET owns fee title to certain real property located in the unincorporated area of the County of Sacramento, State of California, described particularly in Exhibit "A" attached hereto and incorporated herein by this reference (the "Real Property"). The Real Property consists of approximately one thousand one-hundred (1,100) acres.

B. Existing Monitor Well Locations. As of the date of this Agreement, there are ground-water monitor wells at twenty (20) locations on the Real Property (the "Existing Monitor Well Locations"). These Existing Monitor Well Locations were installed by AEROJET and/or McDonnell Douglas Corporation ("McDonnell Douglas") and are accessed regularly to monitor ground water flowing below the surface of the Real Property at depths greater than one hundred (100) feet.

C. Access to the Existing Monitor Well Locations. The Real Property borders on, and can be accessed from, Sunrise Boulevard, White Rock Road, and Douglas Road, all of which are public streets. Upon entering the Real Property, access to the Existing Monitor Well Locations is gained through use of dirt and rock

roads as installed, graded, maintained, improved, modified, relocated, and removed, from time to time, by AEROJET (the "Temporary Access Roads").

D. Other Improvements. AEROJET has also installed and maintains on the Real Property, and may remove, modify, and improve, from time to time, certain other improvements, including, but not limited to, fences and gates (collectively, the "Improvements").

E. Additional Monitor Well Locations. After the date of this Agreement, DEPARTMENT will want to establish or cause AEROJET, McDonnell Douglas, or others to establish additional ground-water monitor well locations (the "Additional Monitor Well Locations") on the Real Property. The exact number of Additional Monitor Well Locations that may be established in the future is not known as of the date of this Agreement.

F. Modification of Improvements and Continued Access. After the date of this Agreement, AEROJET shall continue its ownership and control over the Temporary Access Roads and the other Improvements existing, from time to time, on the Real Property, subject to the rights and powers of DEPARTMENT under this Agreement.

G. Creating Lots and Parcels. In accordance with the California Subdivision Map Act (the "Map Act"), and in accordance with Sacramento County ordinances and procedures adopted pursuant to the Map Act (collectively, "Local Subdivision Requirements"), AEROJET is planning to subdivide the Real Property into various separate lots and parcels (collectively, the "Lots and Parcels").

H. Tentative and Final Maps. The process of subdivision of the Real Property will involve periodic submissions by AEROJET to the County of Sacramento (the "County") of tentative subdivision maps, as defined in the Map Act ("Tentative Maps"), and final subdivision maps, as defined in the Map Act ("Final Maps") (collectively, the "Subdivision Maps"). Subdivision of the Real Property will occur in phases, with each Final Map subdividing only a portion of the property shown on a Tentative Map. Whether there will be a single or multiple Tentative Maps is not known as of the date of this Agreement.

I. Uses of Lots and Parcels. Anticipated uses of the Lots and Parcels include industrial, commercial, and residential, generally as governed by the land use ordinances and regulations of the County, as in existence and as amended from time to time. Where within the Real Property each such use will occur is not known as of the date of this Agreement.

J. The Permanent Roadways. In order to satisfy the Local Subdivision Requirements, conditions to the Tentative Maps will require, and Final Maps (or separate irrevocable offers of



dedication) will contain, offers by AEROJET to dedicate to the County portions of the Real Property designed to serve as permanent roadways, including both areas for vehicular travel and contiguous areas, if any, for meridians and pedestrian sidewalks (collectively, the "Permanent Roadways"), to and among the Lots and Parcels and to and from said Sunrise Boulevard, White Rock Road, and Douglas Road. The Permanent Roadways will become public roadways when and if the County accepts such offers of dedication; unless and until such acceptance occurs, the Permanent Roadways will be private roadways appurtenant to the Lots and Parcels.

K. Subdivision Design. The exact shapes, sizes, and locations of the Lots and Parcels, the Permanent Roadways, and other features to be shown on Subdivision Maps are not known as of the date of this Agreement and will be determined by AEROJET, its engineers and other consultants, and the County based upon market conditions and the Local Subdivision Requirements, and also with appropriate consultations with, and input from, DEPARTMENT, as required under this Agreement. This will occur during several months or years following the date of this Agreement, as the various Subdivision Maps are prepared by AEROJET, reviewed by DEPARTMENT, and submitted to the County for approval.

L. Monitor Well Locations Flexibility. DEPARTMENT anticipates having flexibility in choosing and approving sites for Additional Monitor Well Locations, so that such sites, as well as access to and from such sites, can be confined generally, but (as set forth in Recital M, next below) not necessarily exclusively, to the Permanent Roadways, no matter where the Permanent Roadways may become located as shown on Subdivision Maps.

M. Minimizing Interference with Development. AEROJET and DEPARTMENT believe that, given said anticipated flexibility in situating Additional Monitor Well Locations and access to them, and through the mechanisms, planning, and cooperation between AEROJET and DEPARTMENT contemplated by this Agreement, AEROJET and DEPARTMENT can maximize the number of Existing Monitor Well Locations and Additional Monitor Well Locations (collectively, the "Monitor Well Locations") positioned entirely within the Permanent Roadways, and can minimize (possibly to zero) the number of Monitor Well Locations that encumber a Lot or Parcel. References in this Agreement to a "Monitor Well Lot" refer to any Lot or Parcel upon which is situated a Monitor Well Location.

NOW, THEREFORE, given the facts and circumstances described in the foregoing Recitals (collectively, the "Recital"), and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, AEROJET and DEPARTMENT agree as follows:

## GRANT AND AGREEMENT

1. Grant of Easement. Subject to, and in accordance with, the terms and conditions set forth in this Agreement, AEROJET hereby grants to DEPARTMENT, and DEPARTMENT hereby accepts, an easement (the "Easement") in and to all or portions of the Real Property, as more specifically provided in paragraph 2, next below, for the purposes and uses authorized in this Agreement, as more specifically provided in paragraph 5, below.

2. Monitor Wells Easement Area. The Easement is granted with respect to, and encumbers only, the following described areas (collectively, the "Monitor Wells Easement Area"):

a. Prior to Subdivision. As of the date of this Agreement, and continuing until changed, as provided herein below, all of the Real Property is encumbered by the Easement;

b. Subsequent to Subdivision. When and if a Final Map is recorded in the Official Records of the County (the "Official Records"), then, and from and after such recordation, with respect to that portion of the Real Property that is the subject of such Final Map (a "Subdivided Portion"), the Easement shall encumber only, and the Monitor Wells Easement Area shall be confined to:

i. Permanent Roadways. Those portions of the Subdivided Portion designated on such Final Map as areas offered for dedication as public roadways; and

ii. Monitor Well Lots. If the Subdivided Portion contains any Monitor Well Lot or Lots, then those portions of such Monitor Well Lot or Lots as shown on such Final Map; and

c. Exhibit "B" Area. In all events, and regardless of the recordation of Final Maps, the Monitor Wells Easement Area shall include that portion of the Real Property described in Exhibit "B" attached hereto and incorporated herein by this reference (the Exhibit "B" Area).

3. Mutual Use and Improvement. The Easement is non-exclusive. AEROJET retains the right and power to use and improve the Monitor Wells Easement Area as AEROJET may choose from time to time so long as such use or improvement shall not unreasonably interfere with DEPARTMENT's rights of use thereof as authorized by this Agreement and shall not violate or fail to comply with any of the terms and conditions set forth in this Agreement.

4. Roadway and Utility Uses. AEROJET and DEPARTMENT understand and agree that, as Final Maps become recorded in the Official Records, all, or a substantial portion of, the Monitor Wells Easement Area, shall become Permanent Roadways for use by vehicles and pedestrians to cross the Real Property and for

access to, from, and among the Lots and Parcels and for utility lines, including, but not limited to, sewer, cable television, natural gas, and electric lines, as well as incidental uses related thereto such as for traffic signals and landscaping (collectively, the "Roadway and Utility Uses"). The Roadway and Utility Uses shall not unreasonably interfere with DEPARTMENT's rights of use thereof as authorized by this Agreement and shall not violate or fail to comply with any of the terms and conditions set forth in this Agreement.

5. Use of the Monitor Wells Easement Area. Use of the Monitor Wells Easement Area by DEPARTMENT or its contractors, agents, or employees, or by a Third Party (as defined below), shall be conducted pursuant to DEPARTMENT's exercise of its responsibilities and jurisdiction under the California Health and Safety Code, or pursuant to a Third-Party's obligations under orders issued by, or agreements with, DEPARTMENT. With reasonable accommodation to the Roadway and Utility Uses, the following specific activities, as well as necessarily related and incidental activities, and no other activities, are allowed by DEPARTMENT or its contractors, agents, or employees, or by any such Third Party, within the Monitor Wells Easement Area (collectively, "Authorized Activities"):

a. Access and Maintain Monitor Well Locations. DEPARTMENT and Third Parties shall have the right and power to access, maintain, remove, replace, modify, examine, use, and generally control all of the Monitor Well Locations and all wells and other improvements located at all Monitor Well Locations, including, but not limited to, temporary parking of trucks and other vehicles as may be necessary and proper to conduct ground-water monitoring activities.

b. Establishment of Additional Monitor Well Locations. DEPARTMENT shall have the right and power to designate, and Third Parties, as well as DEPARTMENT, shall have the right and power to install, or cause to be designated or installed, any number of Additional Monitor Well Locations anywhere within the Monitor Wells Easement Area as DEPARTMENT may determine in its sole discretion, but only with advance consultations with AEROJET, its engineers, and other consultants, to help assure that sites selected for Additional Monitor Well Locations will be consistent with the location of the Exhibit "B" Area and the expected locations of the Permanent Roadways.

c. Extraction and Piping of Water. The Monitor Wells Easement Area may also be used for the extraction and transportation of ground water, provided that such use and the improvements installed to accomplish such use are reasonably compatible with, and do not prevent or impede, the Roadway and Utility Uses.

d. Underground Wells and Pipelines. All wells, pumping stations and equipment, and pipelines, as well as electric power thereto, shall be underground to the maximum extent possible or situated in meridians or other areas that will not interfere with vehicular or pedestrian traffic or other uses on the Permanent Roadways.

6. Third-Party Uses. AEROJET understands and agrees that all or some of the Authorized Activities shall be performed by third parties, including, but not limited to, McDonnell Douglas, and their contractors, agents, or employees (collectively, "Third Parties"). With respect to the performance of Authorized Activities by Third Parties, the following restrictions shall apply:

a. Permission. No Third Party may enter upon the Monitor Wells Easement Area or engage in Authorized Activities except with the advance written and explicit permission of DEPARTMENT or AEROJET ("Permission").

b. Notice to AEROJET. DEPARTMENT agrees not to grant any Permission until after giving AEROJET a reasonable opportunity to be itself the entity granting the Permission. Thus, DEPARTMENT agrees that, except in the case of an emergency threatening the health or safety of people or the environment, DEPARTMENT shall not grant any Permission until thirty (30) days after giving to AEROJET written notice of the name, address, telephone number, contact person, and other relevant information so that AEROJET may identify and commence negotiations with such Third Party for the granting of Permission thereto.

c. Third-Parties' Acknowledgments. Whenever DEPARTMENT grants a Permission, it shall have the Third Party involved execute and deliver to DEPARTMENT, with a copy to AEROJET, a written acknowledgment by the Third Party that it has read, understands, and will abide by the provisions of this Agreement.

d. Third-Party Requirements. As a necessary and integral part of the granting of Permission, whether by DEPARTMENT or AEROJET, the Third Party shall provide to DEPARTMENT and AEROJET:

i. Indemnity. The Third Party's written agreement to indemnify and hold harmless DEPARTMENT and AEROJET with respect to any and all liabilities that may arise from, or be related to, the entry by, and activities of, the Third Party while using the Monitor Wells Easement Area;

ii. Insurance. Adequate proof that a satisfactory commercial general liability insurance policy has been issued by a reputable insurer, lawfully doing business in California, in an amount that is not less than Two Million

Dollars (\$2,000,000.00), combined single limit, with DEPARTMENT and AEROJET named as additional insureds, and covering all activities of the Third Party with respect to the Monitor Wells Easement Area; and

iii. Other. The Third Party's fulfillment of such other reasonable and customary requirements of landowners from whom access to do work of the nature of the Authorized Activities is requested, including, but not limited to, more detailed and complete requirements respecting the form and content of said indemnity agreement and said liability insurance than are set forth hereinabove.

7. The Lots and Parcels.

a. Easement Has No Effect. Nothing in this Agreement shall be construed to limit the use of, encumber, or otherwise affect the Lots and Parcels, or any of them, except the Monitor Well Lots and any portion of a Lot or Parcel located within the Exhibit "B" Area or a Permanent Roadway.

b. Proof of Clear Title. If, at any time, and from time to time, an owner of a Lot or Parcel or any person having an interest in, or encumbrance upon, a Lot or Parcel, as shown in the Official Records, shall request a quitclaim deed, written certification, or other evidence or proof that this Agreement does not limit use of, encumber, or otherwise affect that Lot or Parcel, AEROJET and DEPARTMENT agree to cooperate promptly and to provide such fully executed and acknowledged instrument or document as may be appropriate and reasonable under the circumstances for that purpose, provided such owner or other person first provides reasonable proof of such ownership, interest, or encumbrance, such as, but not limited to, personal identification coupled with a current title report issued by a reputable title company.

8. Consultations and Other Covenants. In order to help assure that DEPARTMENT can fulfill its responsibilities and exercise jurisdiction under California Health and Safety Code, and that AEROJET can achieve its purposes of subdividing, developing, and enhancing the value and marketability of the Real Property, all pursuant to the terms and conditions of this Agreement, AEROJET and DEPARTMENT agree that:

a. Consultations. AEROJET and DEPARTMENT shall work together diligently, reasonably, and fairly in attempting to achieve the purposes of this Agreement, including, but not limited to, accomplishing the purposes described in Recitals L and M, above ("General Cooperation"). Without limiting the generality of the foregoing sentence, the General Cooperation shall include:

i. Subdivision Consultations. As Subdivision Maps are prepared, AEROJET shall consult with DEPARTMENT concerning the size, locations, and configurations of Permanent Roadways shown thereon;

ii. Sharing Information and Analysis. DEPARTMENT shall promptly and reasonably respond to AEROJET's requests for information, analyses, and conclusions about whether or not proposals concerning the size, locations, and configurations of Permanent Roadways, as shown on any draft Tentative Map, are consistent with fulfillment of DEPARTMENT's goals and duties and Aerojet's purposes with respect to location and use of Monitor Well Locations, all as set forth in this Agreement;

iii. Tentative Maps. AEROJET shall not submit a Tentative Map, or any amendment to, or modification of, a Tentative Map, to the County without first providing a copy thereof to DEPARTMENT; and

iv. Final Maps. AEROJET shall not record any Final Map in the Official Records unless and until DEPARTMENT is reasonably satisfied with the location of all proposed Permanent Roadways and Monitor Well Lots, if any, all as shown on such Final Map.

b. Information and Reports. AEROJET shall provide to DEPARTMENT, as appropriate, information and written reports concerning its processing with the County of Subdivision Maps.

c. Comments and Suggestions. DEPARTMENT shall have the right and opportunity to provide its comments and suggestions to County concerning Subdivision Maps to assure DEPARTMENT, among other things, that the locations of Permanent Roadways and the Monitor Well Lots, as shown on Subdivision Maps, are consistent with preserving DEPARTMENT's ability to access and use Monitor Well Locations as contemplated by this Agreement.

d. The County's Notice List. DEPARTMENT shall be included on all lists maintained by the County of persons to whom County shall send notices of hearings and other matters concerning the processing of the Subdivision Maps.

e. Costs and Expenses. Nothing in this Agreement shall be construed to suggest or require that DEPARTMENT pay or contribute to the costs or expenses incurred by AEROJET in (i) processing the Subdivision Maps; (ii) constructing, maintaining, removing, or replacing Temporary Access Roads or other Improvements; or (iii) dedicating to the County or constructing the Permanent Roadways. All such costs and expenses shall be solely the responsibility of AEROJET.

9. Duration and Termination. The Easement shall continue in perpetuity, except that DEPARTMENT agrees to execute, deliver,

and record in the Official Records a quitclaim deed or other appropriate instrument, as and when requested by AEROJET, to effect a termination of the Easement whenever AEROJET has submitted to DEPARTMENT satisfactory evidence of the following circumstances:

a. Completion of RAP Requirements: All of the requirements of a remedial action plan with regard to the ground water underlying the Real Property have been completed. The DEPARTMENT agrees that the remedial action plan may define the circumstances under which the Easement may be terminated as no longer being required, such as applicability of technical impracticability or containment zone qualification; and

b. Completion of Requirements under DTSC Order. DEPARTMENT has certified that all of the requirements of any DEPARTMENT order respecting the ground water underlying the Real Property have been fully completed.

#### 10. Miscellaneous Provisions.

a. Accuracy of Recitals. AEROJET and DEPARTMENT each represent and warrant to the other that it has no knowledge or actual notice of information indicating that, as of the date of this Agreement, any portion of the Recitals is incorrect, incomplete, or misleading as written.

b. Covenants Running with the Land. All of the terms and conditions set forth in this Agreement are intended to be covenants running with the land that shall be binding upon, and inure to the benefit of, the successors and assigns of AEROJET and DEPARTMENT.

c. Further Assurances. AEROJET and DEPARTMENT agree to execute, acknowledge as appropriate, and deliver such further instruments and documents as may, from time to time, be necessary or appropriate, in the judgment of either of them, to effectuate the purposes of this Agreement or any provision hereof, and to accomplish the goals sought to be achieved by the granting of the Easement, including, but not limited to, the following specific further assurances: whenever AEROJET encounters the need for proof that a particular Lot or Parcel or other portion of the Real Property is not encumbered by the Easement, DEPARTMENT shall, within ten (10) days after receipt of a written request by AEROJET, provide a fully executed, acknowledged, and recordable quitclaim deed or other effective instrument so as to assure AEROJET's clear title thereto.

d. Reasonableness. AEROJET and DEPARTMENT agree to be fair and reasonable with each other in the performance of all obligations and exercise of rights and powers under, or related to, this Agreement, keeping in mind and reasonably attempting to

promote their respective purposes in entering into this Agreement.

e. Severability of Provisions. If any provision of this Agreement is unenforceable, it shall be deemed not a part of this Agreement, and the other provisions shall remain fully enforceable and shall be interpreted to accomplish, as closely as may be legally possible, the intentions of AEROJET and DEPARTMENT as expressed by the entirety of this Agreement.

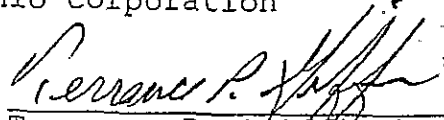
f. Successors and Assigns. This Agreement and each and every provision contained in this Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of AEROJET and DEPARTMENT.

IN WITNESS WHEREOF, AEROJET has executed this Agreement as of the date set forth below.

Date: November 10, 1997.

AEROJET-GENERAL CORPORATION,  
an Ohio corporation

By:

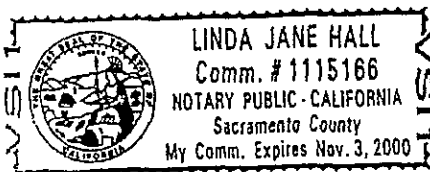
  
Terrance P. Griffin

Its: Director of Real Estate

State of California           )  
  )  
County of Sacramento        )

ss.

On November 17, 1997, before me, Linda Jane Hall, personally appeared Terrence P. Griffin, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



(seal)

WITNESS my hand and official seal.

  
Linda Jane Hall, Notary Public



Exhibit "A"  
Legal Description of Real Property

All that portion of Parcel 15 as said Parcel is shown on that certain Revised Parcel Map of "A Portion of Record of Surveys 12 R.S. 30 and 18 R.S. 4 and also being a Portion of Rancho Rio De Los Americanos" filed in the office of the Recorder, County of Sacramento, State of California in Book 55 of Parcel Maps, Page 29, and being more particularly described as follows:

Beginning at the northwest corner of said Parcel 15; thence from said Point of beginning along the westerly line of said Parcel the following five (5) courses: (1) South  $07^{\circ}44'05''$  East 30.44 feet, (2) South  $06^{\circ}36'05''$  East 3603.85 feet, (3) South  $08^{\circ}08'17''$  East 2073.42 feet, (4) South  $08^{\circ}47'03''$  East 2197.91 feet, and (5) South  $08^{\circ}48'24''$  East 419.75 feet to a point on the westerly right-of-way line of Sunrise Boulevard, a County Road, as shown on said Parcel Map; thence along said Right-of-way line South  $39^{\circ}18'38''$  East 4093.39 feet; thence South  $89^{\circ}10'03''$  East 990.37 feet; thence South  $89^{\circ}06'40''$  East 933.19 feet; thence North  $00^{\circ}53'20''$  East 2290.81 feet to a point on an existing fence line; thence along said Fence line, the following fourteen (14) courses and distances: (1) North  $89^{\circ}32'35''$  West 367.46 feet, (2) North  $89^{\circ}24'25''$  West 402.97 feet; (3) North  $00^{\circ}30'05''$  East 722.15 feet, (4) North  $00^{\circ}34'11''$  East 608.94 feet, (5) North  $87^{\circ}30'22''$  West 39.63 feet, (6) North  $00^{\circ}50'49''$  East 225.19 feet, (7) North  $71^{\circ}12'32''$  West 459.31 feet, (8) North  $18^{\circ}32'48''$  East 299.22 feet, (9) North  $18^{\circ}43'33''$  East 581.68 feet, (10) North  $18^{\circ}52'10''$  East 260.18 feet, (11) North  $87^{\circ}29'23''$  East 30.58 feet, (12) North  $86^{\circ}35'54''$  East 79.74 feet, (13) North  $87^{\circ}23'08''$  East 104.15 feet, and (14) South  $71^{\circ}22'21''$  East 494.50 feet; thence North  $00^{\circ}53'20''$  East 4230.53; thence North  $90^{\circ}00'00''$  West 1078.83 feet; thence North  $04^{\circ}03'36''$  West 192.34 feet; thence North  $15^{\circ}38'51''$  West 253.09 feet; thence North  $10^{\circ}48'50''$  West 497.39 feet; thence North  $06^{\circ}52'34''$  West 292.93 feet; thence North  $05^{\circ}51'41''$  West 169.64 feet; thence North  $00^{\circ}52'23''$  West 152.03 feet; thence North  $72^{\circ}06'34''$  East 146.02 feet; thence North  $74^{\circ}39'41''$  East 462.88 feet; thence North  $85^{\circ}19'48''$  East 66.67 feet; thence North  $11^{\circ}27'56''$  East 102.96 feet; thence North  $03^{\circ}39'36''$  West 197.73 feet; thence North  $02^{\circ}17'57''$  East 318.01 feet; thence North  $01^{\circ}15'08''$  East 494.52 feet; thence South  $84^{\circ}44'15''$  West 1242.18 feet; thence curving to the right on an arc having a radius of 3000.00 feet, said arc being subtended by a chord bearing South  $88^{\circ}53'53''$  West 435.31 feet; thence North  $86^{\circ}56'29''$  West 389.84 feet; thence curving to the left on an arc having a radius of 1500.00 feet, said arc being subtended by a chord bearing South  $87^{\circ}03'12''$  West 313.85 feet, thence South  $81^{\circ}02'54''$  West 2579.08 feet to the point of beginning, containing 1114.70 acres, more or less.

Exhibit "B"  
Legal Description of Exhibit "B" Area

All that portion of Parcel 15 as said Parcel is shown on that certain Revised Parcel Map of "A Portion of Record of Surveys 12 R.S. 30 and 18 R.S. 4 and also being a Portion of Rancho Rio De Los Americanos" filed in the office of the Recorder, County of Sacramento, State of California in Book 55 of Parcel Maps, Page 29, and being a strip of land 60.00 feet in width the westerly line of said Strip being more particularly described as follows:

Beginning at the northwest corner of said Parcel 15; thence from said Point of beginning along the westerly line of said Parcel the following five (5) courses: (1) South  $07^{\circ}44'05''$  East 30.44 feet, (2) South  $06^{\circ}36'05''$  East 3603.85 feet, (3) South  $08^{\circ}08'17''$  East 2073.42 feet, (4) South  $08^{\circ}47'03''$  East 2197.91 feet, and (5) South  $08^{\circ}48'24''$  East 222.26 feet to a point on the easterly right-of-way line of Sunrise Boulevard, a County Road, as shown on said Parcel Map; thence along said Right-of-way line South  $39^{\circ}18'38''$  East 4347.78 feet to a point on the south line of said Parcel 15, and being the point of ending.

Recording Requested By:

Fidelity National Title  
Insurance Company

When Recorded Mail To:

William S. Hunter, Esq.  
Hunter Richey Di Benedetto  
& Brewer, LLP  
Renaissance Tower  
801 "K" Street, 23rd Floor  
Sacramento, CA 95814

CERTIFIED TO BE A TRUE COPY OF DOCUMENT  
RECORDED 11-18-97 INSTRUMENT NO.  
BOOK 971118 PAGE 810  
Sacramento COUNTY RECORDS.  
FIDELITY NATIONAL TITLE INSURANCE CO.

By Theresa Roberts

(Space above this line reserved for County Recorder's use.)

Assessor Parcel Number:  
072-0370-065

Documentary Transfer Tax:  
Calculated upon full value

\$4,400.00

ORIGINAL  
Accepted for Recording  
COPY - NOT CERTIFIED

NOV 18 1997

Sacramento County  
Clerk-Recorder

GRANT DEED

The undersigned, AEROJET-GENERAL CORPORATION, an Ohio corporation ("Grantor"), hereby grants to AEROJET INVESTMENTS, LTD, a California corporation ("Grantee"), that certain real property (the "Real Property") located in the unincorporated area of the County of Sacramento, State of California, and described particularly in Exhibit "A" attached hereto and incorporated herein by this reference, with the following reservations and exceptions:

A. EXCEPTING AND RESERVING unto Grantor, as a mineral interest, and not as a royalty interest, all of the minerals of every kind in, under, or that may be produced from the Real Property (the "Mineral Estate"); and

B. EXCEPTING AND RESERVING unto Grantor, as a mineral interest, and not as a royalty interest, all oil, gas, hydrocarbons, and associated substances in, under, or produced and saved from the Real Property (the "Hydrocarbon Estate"); and

C. EXCEPTING AND RESERVING unto Grantor, all water and rights, including, but not limited to, all rights of access, to water lying below the surface of the Real Property (the "Water Estate");

PROVIDED, HOWEVER, that Grantor, and its successors and assigns, shall not have the right for any purpose whatsoever to enter upon, into, or through the surface of the Real Property, or within one hundred (100) feet below, as measured vertically from, the surface of the Real Property, except as allowed by the following reserved easements (collectively, the "Reserved Easements"):

D. WATER EXTRACTION AND PIPELINE EASEMENT:

Grantor hereby reserves, and Grantee, by acceptance of this Deed, hereby agrees that title to the Real Property, as hereby conveyed, is subject to, the following water extraction and pipeline easement (the "Extraction Easement"):

1. Extraction Easement Area. The Extraction Easement is reserved with respect to, and encumbers only, the area described in Exhibit "B" attached hereto and incorporated herein by this reference (the "Extraction Easement Area").

2. Mutual Use. The Extraction Easement is non-exclusive. Grantee shall have the right and power to use and improve the Extraction Easement Area as Grantee may choose from time to time so long as such use or improvement shall not unreasonably interfere with Grantor's rights of use thereof as authorized by this Grant Deed, being specifically the Authorized Activities (as defined below), and shall not violate or fail to comply with any of the terms and conditions set forth in this Grant Deed.

3. Use of Extraction Easement Area. The following specific activities, as well as necessarily related and incidental activities, and no other activities, are allowed by Grantor or its contractors, agents, or employees, or by Third Parties (as defined below), within the Extraction Easement Area (collectively, "Authorized Activities"):

a. Water Extraction and Transport. Grantor and Third Parties shall have the right to engage in the installation, construction, maintenance, and operation of water extraction wells and a pipeline for the transport of untreated water extracted from the Extraction Easement Area to locations outside the Extraction Easement Area for treatment thereof.

b. Access and Maintain Monitor Wells. Grantor and Third Parties shall have the right and power to access, maintain, remove, replace, modify, examine, use, and generally control all of the monitor wells located, from time to time, within the Extraction Easement Area, including, but not limited to, temporary parking of trucks and other vehicles as may be necessary and proper to conduct ground-water monitoring activities.

c. Establishment of Additional Monitor Wells. Grantor shall have the right and power to designate, and Third Parties, as well as Grantor, shall have the right and power to install, or cause to be designated or installed, any number of monitor wells anywhere within the Extraction Easement Area as Grantor may determine in its sole discretion.

d. Underground Wells and Pipelines. All wells, pumping stations and equipment, and pipelines, as well as electric power thereto, shall be underground to the maximum extent possible.

e. New Technology. If a new technology is developed that allows treatment of ground water to be done in a manner that is less costly or more effective than extraction for treatment, and if use of such a new technology can be implemented without increased burden upon, or unreasonable interference with other uses, improvements, or value of, the Extraction Easement Area, then such new technology shall be included within the Authorized Activities.

4. Third-Party Uses. Grantee understands and agrees that all or portions of the Authorized Activities shall be performed by third parties, including, but not limited to, McDonnell Douglas Corporation ("McDonnell Douglas"), and their contractors, agents, or employees (collectively, "Third Parties"). With respect to the performance of Authorized Activities by Third Parties, the following restrictions shall apply:

a. Permission. No Third Party may enter upon the Extraction Easement Area or engage in Authorized Activities except with the advance written and explicit permission of Grantor or Grantee ("Permission").

b. Notice to Grantee. Grantor agrees not to grant any Permission until after giving Grantee a reasonable opportunity to be itself the entity granting the Permission. Thus, Grantor agrees that, except in the case of an emergency threatening the health or safety of people or the environment, Grantor shall not grant any Permission until thirty (30) days after giving to Grantee written notice of the name, address, telephone number, contact person, and other relevant information so that Grantee may identify and commence negotiations with such Third Party for the granting of Permission thereto.

c. Third Parties' Acknowledgments. Whenever Grantor grants a Permission, it shall have the Third Party involved execute and deliver to Grantor, with a copy to Grantee, a written acknowledgment by the Third Party that it has read, understands, and will abide by the provisions of this Grant Deed.

d. Third-Party Requirements. As a necessary and integral part of the granting of Permission, whether by Grantor or Grantee, the Third Party shall provide to Grantor and Grantee:

i. Indemnity. The Third Party's written agreement to indemnify and hold harmless Grantor and Grantee with respect to any and all liabilities that may arise from, or be related to, the entry by, and activities of, the Third Party while using the Extraction Easement Area;

ii. Insurance. Adequate proof that a satisfactory commercial general liability insurance policy has been issued by a reputable insurer lawfully doing business in California in an amount that is not less than Two Million Dollars (\$2,000,000.00), combined single limit, with Grantor and Grantee named as additional insureds, and covering all activities of the Third Party with respect to the Extraction Easement Area; and

iii. Other. The Third Party's fulfillment of such other reasonable and customary requirements of landowners from whom access to do work in the nature of the Authorized Activities is requested, including, but not limited to, more detailed and complete requirements respecting the form and content of said indemnity agreement and said liability insurance than are set forth hereinabove.

5. Duration and Termination. The Extraction Easement shall continue in perpetuity, except that Grantor agrees to execute, deliver, and record in the Official Records of Sacramento County (the "Official Records") a quitclaim deed or other appropriate instrument, as and when requested by Grantee, to effect a termination of the Extraction Easement whenever, and as soon as, Grantor or Grantee obtains a termination of that certain Water Extraction and Pipeline Easement Agreement by and between Grantor and the California Department of Toxic Substances Control (the "Department") dated November 10, 1997 and recorded in the Official Records immediately before the recordation of this Grant Deed.

#### E. MONITOR WELLS EASEMENT:

Grantor hereby further reserves, and Grantee, by acceptance of this Deed, hereby further agrees that title to the Real Property, as hereby conveyed, is subject to, the following monitor wells easement (the "Monitor Wells Easement"):

##### 1. Recitals.

a. Existing Monitor Well Locations. As of the date of this Grant Deed, there are ground-water monitor wells at twenty (20) locations on the Real Property (the "Existing Monitor Well Locations"). These Existing Monitor Well Locations were installed by Grantor and/or McDonnell Douglas and are accessed regularly to monitor ground water flowing below the surface of the Real Property at depths greater than one hundred (100) feet.

b. Access to the Existing Monitor Well Locations. The Real Property borders on, and can be accessed from, Sunrise Boulevard, White Rock Road, and Douglas Road, all of which are public streets. Upon entering the Real Property, access to the Existing Monitor Well Locations is gained through use of dirt and rock roads as shall be installed, graded, maintained, improved, modified, relocated, and removed, from time to time, by Grantee (the "Temporary Access Roads").

c. Other Improvements. Grantee may also install and maintain on the Real Property, and may remove, modify, and improve, from time to time, certain other improvements, including, but not limited to, fences and gates (collectively, the "Improvements").

d. Additional Monitor Well Locations. After the date of this Grant Deed, Grantor will want to establish or permit McDonnell Douglas or others to establish additional ground-water monitor well locations (the "Additional Monitor Well Locations") on the Real Property. The exact number of Additional Monitor Well Locations that may be established in the future is not known as of the date of this Grant Deed.

e. Modification of Improvements and Continued Access. After recordation of this Grant Deed in the Official Records, Grantee shall have ownership and control over the Temporary Access Roads and the other Improvements existing, from time to time, on the Real Property, subject to the rights and powers of Grantor under this reserved Monitor Wells Easement.

f. Creating Lots and Parcels. In accordance with the California Subdivision Map Act (the "Map Act"), and in accordance with Sacramento County ordinances and procedures adopted pursuant to the Map Act (collectively, "Local Subdivision Requirements"), Grantee is planning to subdivide the Real Property into various separate lots and parcels (collectively, the "Lots and Parcels").

g. Tentative and Final Maps. The process of subdivision of the Real Property will involve periodic submissions by Grantee to the County of Sacramento (the "County") of tentative subdivision maps, as defined in the Map Act ("Tentative Maps"), and final subdivision maps, as defined in the Map Act ("Final Maps") (collectively, the "Subdivision Maps"). Subdivision of the Real Property will occur in phases, with each Final Map subdividing only a portion of the property shown on a Tentative Map. Whether there will be a single or multiple Tentative Maps is not known as of the date of this Grant Deed.

h. Uses of Lots and Parcels. Anticipated uses of the Lots and Parcels include industrial, commercial, and residential, generally as governed by the land use ordinances and regulations of the County, as in existence and as amended from time to time.

Where within the Real Property each such use will occur is not known as of the date of this Grant Deed.

i. The Permanent Roadways. In order to satisfy the Local Subdivision Requirements, conditions to the Tentative Maps will require, and Final Maps (or separate irrevocable offers of dedication) will contain, offers by Grantee to dedicate to the County portions of the Real Property designed to serve as permanent roadways, including both areas for vehicular travel and contiguous areas, if any, for meridians and pedestrian sidewalks (collectively, the "Permanent Roadways"), to and among the Lots and Parcels and to and from said Sunrise Boulevard, White Rock Road, and Douglas Road. The Permanent Roadways will become public roadways when and if the County accepts such offers of dedication; unless and until such acceptance occurs, the Permanent Roadways will be private roadways appurtenant to the Lots and Parcels.

j. Subdivision Design. The exact shapes, sizes, and locations of the Lots and Parcels, the Permanent Roadways, and other features to be shown on Subdivision Maps are not known as of the date of this Grant Deed and will be determined by Grantee, its engineers and other consultants, and the County based upon market conditions and the Local Subdivision Requirements, and also with appropriate consultations with, and input from, Grantor, as required under this Monitor Wells Easement. This will occur during several months or years following the date of this Grant Deed, as the various Subdivision Maps are prepared by Grantee, reviewed by Grantor, and submitted to the County for approval.

k. Monitor Well Locations Flexibility. Grantor anticipates having flexibility in choosing and approving sites for Additional Monitor Well Locations, so that such sites, as well as access to and from such sites, can be confined generally, but (as set forth in Recital 1, next below) not necessarily exclusively, to the Permanent Roadways, no matter where the Permanent Roadways may become located as shown on Subdivision Maps.

l. Minimizing Interference with Development. Grantor and Grantee believe that, given said anticipated flexibility in situating Additional Monitor Well Locations and access to them, and through the mechanisms, planning, and cooperation between Grantor and Grantee contemplated by this Monitor Wells Easement, Grantor and Grantee can maximize the number of Existing Monitor Well Locations and Additional Monitor Well Locators (collectively, the "Monitor Well Locations") positioned entirely within the Permanent Roadways, and can minimize (possibly to zero) the number of Monitor Well Locations that encumber a Lot or Parcel. References in this Grant Deed to a "Monitor Well Lot" refer to any Lot or Parcel upon which is situated a Monitor Well Location.



NOW, THEREFORE, given the facts and circumstances described in the foregoing recitals set forth in paragraph 1, next above (collectively, the "Recital"), and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee agree as follows:

2. Monitor Wells Easement Area. The Monitor Wells Easement is reserved with respect to, and encumbers only, the following described areas (collectively, the "Monitor Wells Easement Area"):

a. Prior to Subdivision. As of the date of this Grant Deed, and continuing until changed, as provided herein below, all of the Real Property is encumbered by the Monitor Wells Easement;

b. Subsequent to Subdivision. When and if a Final Map is recorded in the Official Records, then, and from and after such recordation, with respect to that portion of the Real Property that is the subject of such Final Map (a "Subdivided Portion"), the Monitor Wells Easement shall encumber only, and the Monitor Wells Easement Area shall be confined to:

i. Permanent Roadways. Those portions of the Subdivided Portion designated on such Final Map as areas offered for dedication as public roadways; and

ii. Monitor Well Lots. If the Subdivided Portion contains any Monitor Well Lot or Lots, then those portions of such Monitor Well Lot or Lots as shown on such Final Map; and

c. Extraction Easement Area. In all events, and regardless of the recordation of Final Maps, the Monitor Wells Easement Area shall include the Extraction Easement Area, which is that portion of the Real Property described in Exhibit "B" attached hereto.

3. Mutual Use and Improvement. The Monitor Wells Easement is non-exclusive. Grantee shall have the right and power to use and improve the Monitor Wells Easement Area as Grantee may choose from time to time so long as such use or improvement shall not unreasonably interfere with Grantor's rights of use thereof as authorized by this reserved Monitor Wells Easement and shall not violate or fail to comply with any of the terms and conditions set forth in this Grant Deed.

4. Roadway and Utility Uses. Grantor and Grantee understand and agree that, as Final Maps become recorded in the Official Records, all, or a substantial portion of, the Monitor Wells Easement Area, shall become Permanent Roadways for use by vehicles and pedestrians to cross the Real Property and for access to, from, and among the Lots and Parcels and for utility lines, including, but not limited to, sewer, cable television, natural gas, and electric lines, as well as incidental uses

related thereto, such as for traffic signals and landscaping (collectively, the "Roadway and Utility Uses"). The Roadway and Utility Uses shall not unreasonably interfere with Grantor's rights of use thereof as authorized by this reserved Monitor Wells Easement and shall not violate or fail to comply with any of the terms and conditions set forth in this Grant Deed.

5. Use of the Monitor Wells Easement Area. With reasonable accommodation to the Roadway and Utility Uses, the following specific activities, as well as necessarily related and incidental activities, and no other activities, are allowed by Grantor or its contractors, agents, or employees, or by a Third Party (as defined below), within the Monitor Wells Easement Area (collectively, "Authorized Activities"):

a. Access and Maintain Monitor Well Locations. Grantor and Third Parties shall have the right and power to access, maintain, remove, replace, modify, examine, use, and generally control all of the Monitor Well Locations and all wells and other improvements located at all Monitor Well Locations, including, but not limited to, temporary parking of trucks and other vehicles as may be necessary and proper to conduct ground-water monitoring activities.

b. Establishment of Additional Monitor Well Locations. Grantor shall have the right and power to designate, and Third Parties, as well as Grantor, shall have the right and power to install, or cause to be designated or installed, any number of Additional Monitor Well Locations anywhere within the Monitor Wells Easement Area as Grantor may determine in its sole discretion, but only with advance consultations with Grantee, its engineers, and other consultants, to help assure that sites selected for Additional Monitor Well Locations will be consistent with the location of the Extraction Easement Area and the expected locations of the Permanent Roadways.

c. Extraction and Piping of Water. The Monitor Wells Easement Area may also be used for the extraction and transportation of ground water, provided that such use and the improvements installed to accomplish such use are reasonably compatible with, and do not prevent or impede, the Roadway and Utility Uses.

d. Underground Wells and Pipelines. All wells, pumping stations and equipment, and pipelines, as well as electric power thereto, shall be underground to the maximum extent possible or situated in meridians or other areas that will not interfere with vehicular or pedestrian traffic or other uses on the Permanent Roadways.

6. Third-Party Uses. Grantee understands and agrees that all or some of the Authorized Activities shall be performed by third parties, including, but not limited to, McDonnell Douglas, and

their contractors, agents, or employees (collectively, "Third Parties"). With respect to the performance of Authorized Activities by Third Parties, the following restrictions shall apply:

a. Permission. No Third Party may enter upon the Monitor Wells Easement Area or engage in Authorized Activities except with the advance written and explicit permission of Grantor or Grantee ("Permission").

b. Notice to Grantee. Grantor agrees not to grant any Permission until after giving Grantee a reasonable opportunity to be itself the entity granting the Permission. Thus, Grantor agrees that, except in the case of an emergency threatening the health or safety of people or the environment; Grantor shall not grant any Permission until thirty (30) days after giving to Grantee written notice of the name, address, telephone number, contact person, and other relevant information so that Grantee may identify and commence negotiations with such Third Party for the granting of Permission thereto.

c. Third-Parties' Acknowledgments. Whenever Grantor grants a Permission, it shall have the Third Party involved execute and deliver to Grantor, with a copy to Grantee, a written acknowledgment by the Third Party that it has read, understands, and will abide by the provisions of this Grant Deed.

d. Third-Party Requirements. As a necessary and integral part of the granting of Permission, whether by Grantor or Grantee, the Third Party shall provide to Grantor and Grantee:

i. Indemnity. The Third Party's written agreement to indemnify and hold harmless Grantor and Grantee with respect to any and all liabilities that may arise from, or be related to, the entry by, and activities of, the Third Party while using the Monitor Wells Easement Area;

ii. Insurance. Adequate proof that a satisfactory commercial general liability insurance policy has been issued by a reputable insurer, lawfully doing business in California, in an amount that is not less than Two Million Dollars (\$2,000,000.00), combined single limit, with Grantor and Grantee named as additional insureds, and covering all activities of the Third Party with respect to the Monitor Wells Easement Area; and

iii. Other. The Third Party's fulfillment of such other reasonable and customary requirements of landowners from whom access to do work of the nature of the Authorized Activities is requested, including, but not limited to, more detailed and complete requirements respecting the form and content of said indemnity agreement and said liability insurance than are set forth hereinabove.

7. The Lots and Parcels.

a. Easement Has No Effect. Nothing in this Grant Deed shall be construed to limit the use of, encumber, or otherwise affect the Lots and Parcels, or any of them, except the Monitor Well Lots and any portion of a Lot or Parcel located within the Extraction Easement Area or a Permanent Roadway.

b. Proof of Clear Title. If, at any time, and from time to time, an owner of a Lot or Parcel or any person having an interest in, or encumbrance upon, a Lot or Parcel, as shown in the Official Records, shall request a quitclaim deed, written certification, or other evidence or proof that the Reserved Easements do not limit use of, encumber, or otherwise affect that Lot or Parcel, Grantor and Grantee agree to cooperate promptly and to provide such fully executed and acknowledged instrument or document as may be appropriate and reasonable under the circumstances for that purpose, provided such owner or other person first provides reasonable proof of such ownership, interest, or encumbrance, such as, but not limited to, personal identification coupled with a current title report issued by a reputable title company.

8. Consultations and Other Covenants. In order to help assure that Grantee can achieve its purposes of subdividing, developing, and enhancing the value and marketability of the Real Property, all pursuant to the terms and conditions of this Grant Deed, Grantor and Grantee agree that:

a. Consultations. Grantor and Grantee shall work together diligently, reasonably, and fairly in attempting to achieve the purposes of this Grant Deed, including, but not limited to, accomplishing the purposes described in Recitals 1.k and 1.l, above ("General Cooperation"). Without limiting the generality of the foregoing sentence, the General Cooperation shall include:

i. Subdivision Consultations. As Subdivision Maps are prepared, Grantee shall consult with Grantor concerning the size, locations, and configurations of Permanent Roadways shown thereon;

ii. Sharing Information and Analysis. Grantor shall promptly and reasonably respond to Grantee's requests for information, analyses, and conclusions about whether or not proposals concerning the size, locations, and configurations of Permanent Roadways, as shown on any draft Tentative Map, are consistent with fulfillment of Grantor's goals and duties and Grantee's purposes with respect to location and use of Monitor Well Locations, all as set forth in this reserved Monitor Wells Easement;

iii. Tentative Maps. Grantee shall not submit a Tentative Map, or any amendment to, or modification of, a Tentative Map, to the County without first providing a copy thereof to Grantor; and

iv. Final Maps. Grantee shall not record a Final Map in the Official Records unless and until Grantor is reasonably satisfied with the location of all proposed Permanent Roadways and Monitor Well Lots, if any, all as shown on such Final Map.

b. Information and Reports. Grantee shall provide to Grantor, as appropriate, information and written reports concerning its processing with the County of Subdivision Maps.

c. Comments and Suggestions. Grantor shall have the right and opportunity to provide its comments and suggestions to County concerning Subdivision Maps to assure Grantor, among other things, that the locations of Permanent Roadways and the Monitor Well Lots, as shown on Subdivision Maps, are consistent with preserving Grantor's ability to access and use Monitor Well Locations as contemplated by this Monitor Wells Easement.

d. The County's Notice List. Grantor shall be included on all lists maintained by the County of persons to whom County shall send notices of hearings and other matters concerning the processing of Subdivision Maps.

e. Costs and Expenses. Nothing in this Grant Deed shall be construed to suggest or require that Grantor pay or contribute to the costs or expenses incurred by Grantee in (i) processing the Subdivision Maps; (ii) constructing, maintaining, removing, or replacing Temporary Access Roads or other Improvements; or (iii) dedicating to the County or constructing the Permanent Roadways. All such costs and expenses shall be solely the responsibility of Grantee.

9. Duration and Termination. The Monitor Wells Easement shall continue in perpetuity, except that Grantor agrees to execute, deliver, and record in the Official Records a quitclaim deed or other appropriate instrument, as and when requested by Grantee, to effect a termination of the Monitor Wells Easement whenever, and as soon as, Grantor or Grantee obtains a termination of that certain Water Extraction and Pipeline Easement Agreement by and between Grantor and the Department dated November 10, 1997 and recorded in the Official Records of Sacramento immediately before the recordation of this Grant Deed.

#### F. MISCELLANEOUS PROVISIONS:

1. Accuracy of Recitals. Grantor and Grantee each represent and warrant to the other that it has no knowledge or actual notice of information indicating that, as of the date of this

Grant Deed, any portion of the Recitals is incorrect, incomplete, or misleading as written.

2. Covenants Running with the Land. All of the terms and conditions set forth in this Grant Deed are intended to be covenants running with the land that shall be binding upon, and inure to the benefit of, the successors and assigns of Grantor and Grantee.

3. Further Assurances. Grantor and Grantee agree to execute, acknowledge as appropriate, and deliver such further instruments and documents as may, from time to time, be necessary or appropriate, in the judgment of either of them, to effectuate the purposes of this Grant Deed or any provision hereof, and to accomplish the goals sought to be achieved by the reservation of the Reserved Easements, including, but not limited to, the following specific further assurances: whenever Grantee encounters the need for proof that a particular Lot or Parcel or other portion of the Real Property is not encumbered by the Extraction Easement or the Monitor Wells Easement, Grantor shall, within ten (10) days after receipt of a written request by Grantee, provide a fully executed, acknowledged, and recordable quitclaim deed or other effective instrument so as to assure Grantee's clear title thereto.

4. Reasonableness. Grantor and Grantee agrees to be fair and reasonable with each other in the performance of all obligations and exercise of rights and powers under, or related to, this Grant Deed, keeping in mind and reasonably attempting to promote their respective purposes in entering into this Grant Deed.

5. Severability of Provisions. If any provision of this Grant Deed is unenforceable, it shall be deemed not a part of this Grant Deed, and the other provisions shall remain fully enforceable and shall be interpreted to accomplish, as closely as may be legally possible, the intentions of Grantor and Grantee as expressed by the entirety of this Grant Deed.

6. Successors and Assigns. This Grant Deed and each and every provision contained in this Grant Deed shall be binding upon, and inure to the benefit of, the successors and assigns of Grantor and Grantee.

THIS GRANT DEED IS MADE SUBJECT TO that certain Water Extraction and Pipeline Easement Agreement by and between Grantor and the Department dated November 10, 1997 and recorded in the Official Records concurrently with the recordation therein of

this Grant Deed, and subject to that certain Monitor Wells Easement Agreement by and between Grantor and the Department dated November 10, 1997 and recorded in the Official Records concurrently with the recordation therein of this Grant Deed.

Date: November 10, 1997.

AEROJET-GENERAL CORPORATION,  
an Ohio corporation

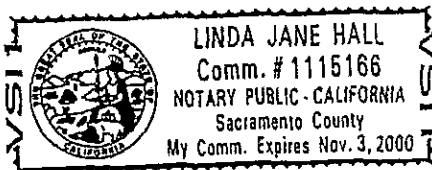
By: 

Terrance P. Griffin

Its: Director of Real Estate

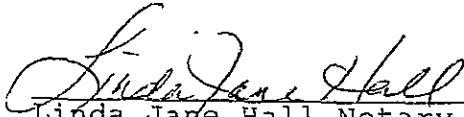
State of California )  
County of Sacramento ) ss.

On November 17, 1997, before me, Linda Jane Hall, personally appeared Terrence P. Griffin, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



(seal)

WITNESS my hand and official seal.

  
Linda Jane Hall, Notary Public

**Exhibit "A"**  
**Legal Description of Real Property**

All that portion of Parcel 15 as said Parcel is shown on that certain Revised Parcel Map of "A Portion of Record of Surveys 12 R.S. 30 and 18 R.S. 4 and also being a Portion of Rancho Rio De Los Americanos" filed in the office of the Recorder, County of Sacramento, State of California in Book 55 of Parcel Maps, Page 29, and being more particularly described as follows:

Beginning at the northwest corner of said Parcel 15; thence from said Point of beginning along the westerly line of said Parcel the following five (5) courses: (1) South  $07^{\circ}44'05''$  East 30.44 feet, (2) South  $06^{\circ}36'05''$  East 3603.85 feet, (3) South  $08^{\circ}08'17''$  East 2073.42 feet, (4) South  $08^{\circ}47'03''$  East 2197.91 feet, and (5) South  $08^{\circ}48'24''$  East 419.75 feet to a point on the westerly right-of-way line of Sunrise Boulevard, a County Road, as shown on said Parcel Map; thence along said Right-of-way line South  $39^{\circ}18'38''$  East 4093.39 feet; thence South  $89^{\circ}10'03''$  East 990.37 feet; thence South  $89^{\circ}06'40''$  East 933.19 feet; thence North  $00^{\circ}53'20''$  East 2290.81 feet to a point on an existing fence line; thence along said Fence line, the following fourteen (14) courses and distances: (1) North  $89^{\circ}32'35''$  West 367.46 feet, (2) North  $89^{\circ}24'25''$  West 402.97 feet; (3) North  $00^{\circ}30'05''$  East 722.15 feet, (4) North  $00^{\circ}34'11''$  East 608.94 feet, (5) North  $87^{\circ}30'22''$  West 39.63 feet, (6) North  $00^{\circ}50'49''$  East 225.19 feet, (7) North  $71^{\circ}12'32''$  West 459.31 feet, (8) North  $18^{\circ}32'48''$  East 299.22 feet, (9) North  $18^{\circ}43'33''$  East 581.68 feet, (10) North  $18^{\circ}52'10''$  East 260.18 feet, (11) North  $87^{\circ}29'23''$  East 30.58 feet, (12) North  $86^{\circ}35'54''$  East 79.74 feet, (13) North  $87^{\circ}23'08''$  East 104.15 feet, and (14) South  $71^{\circ}22'21''$  East 494.50 feet; thence North  $00^{\circ}53'20''$  East 4230.53; thence North  $90^{\circ}00'00''$  West 1078.83 feet; thence North  $04^{\circ}03'36''$  West 192.34 feet; thence North  $15^{\circ}38'51''$  West 253.09 feet; thence North  $10^{\circ}48'50''$  West 497.39 feet; thence North  $06^{\circ}52'34''$  West 292.93 feet; thence North  $05^{\circ}51'41''$  West 169.64 feet; thence North  $00^{\circ}52'23''$  West 152.03 feet; thence North  $72^{\circ}06'34''$  East 146.02 feet; thence North  $74^{\circ}39'41''$  East 462.88 feet; thence North  $85^{\circ}19'48''$  East 66.67 feet; thence North  $11^{\circ}27'56''$  East 102.96 feet; thence North  $03^{\circ}39'36''$  West 197.73 feet; thence North  $02^{\circ}17'57''$  East 318.01 feet; thence North  $01^{\circ}15'08''$  East 494.52 feet; thence South  $84^{\circ}44'15''$  West 1242.18 feet; thence curving to the right on an arc having a radius of 3000.00 feet, said arc being subtended by a chord bearing South  $88^{\circ}53'53''$  West 435.31 feet; thence North  $86^{\circ}56'29''$  West 389.84 feet; thence curving to the left on an arc having a radius of 1500.00 feet, said arc being subtended by a chord bearing South  $87^{\circ}03'12''$  West 313.85 feet, thence South  $81^{\circ}02'54''$  West 2579.08 feet to the point of beginning, containing 1114.70 acres, more or less.



**Exhibit "B"**  
**Legal Description of Extraction Easement Area**

All that portion of Parcel 15 as said Parcel is shown on that certain Revised Parcel Map of "A Portion of Record of Surveys 12 R.S. 30 and 18 R.S. 4 and also being a Portion of Rancho Rio De Los Americanos" filed in the office of the Recorder, County of Sacramento, State of California in Book 55 of Parcel Maps, Page 29, and being a strip of land 60.00 feet in width the westerly line of said Strip being more particularly described as follows:

Beginning at the northwest corner of said Parcel 15; thence from said Point of beginning along the westerly line of said Parcel the following five (5) courses: (1) South  $07^{\circ}44'05''$  East 30.44 feet, (2) South  $06^{\circ}36'05''$  East 3603.85 feet, (3) South  $08^{\circ}08'17''$  East 2073.42 feet, (4) South  $08^{\circ}47'03''$  East 2197.91 feet, and (5) South  $08^{\circ}48'24''$  East 222.26 feet to a point on the easterly right-of-way line of Sunrise Boulevard, a County Road, as shown on said Parcel Map; thence along said Right-of-way line South  $39^{\circ}18'38''$  East 4347.78 feet to a point on the south line of said Parcel 15, and being the point of ending.